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BUSINESS MONTH
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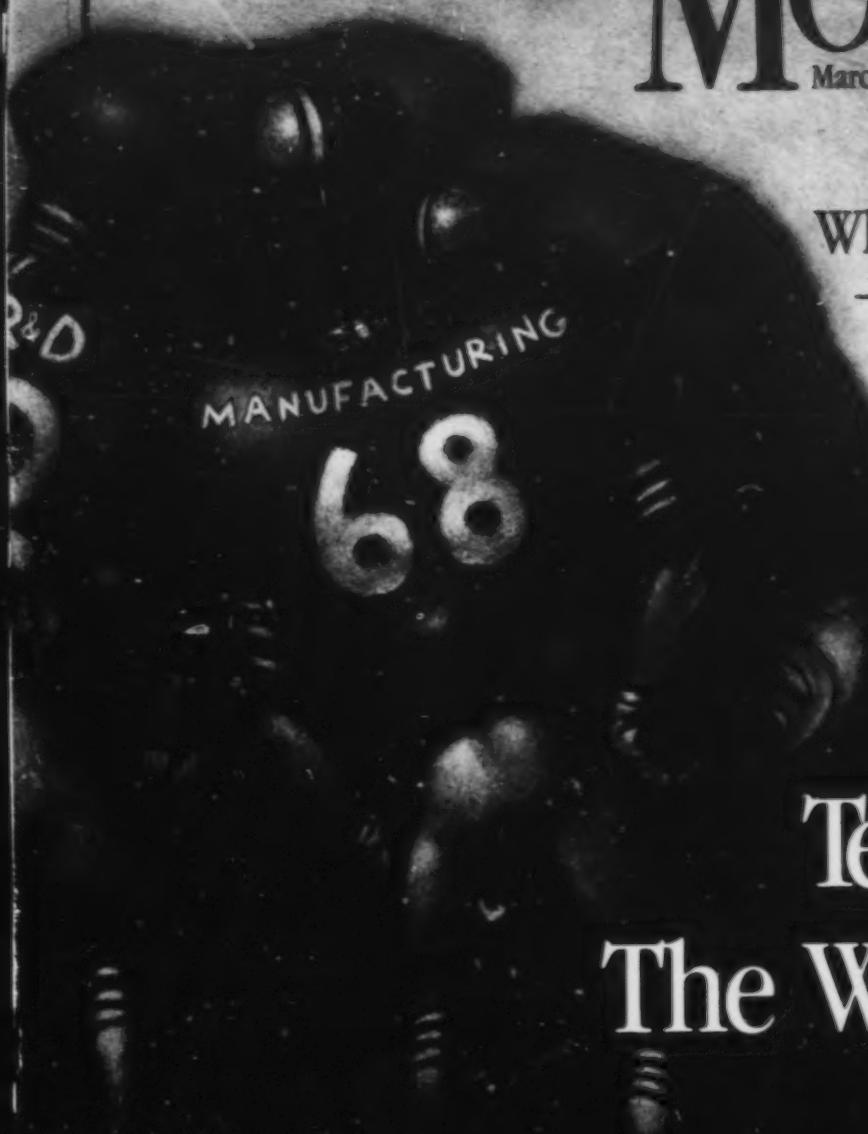
Why The Yen Is Weak

Banks vs. Brokers: What Congress Will Do

Marketers Target Big-Spending Teens



Managing Technology: The Way To Win

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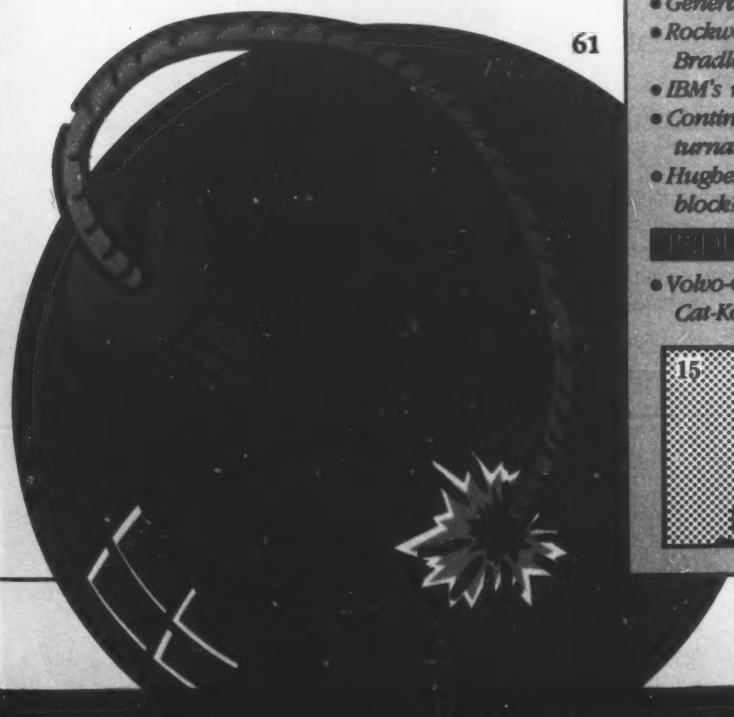

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pensation package, according to Bachelder. Usually, incentive plans offer stock options, sometimes specifying the number of shares to be received in the initial years of the agreement.

Bachelder advises executives to scrutinize the measures of corporate performance on which incentives are based to be sure they are to their advantage. They should also negotiate how long it will be before they can execute stock options or are vested in other incentives.

Some contracts also provide compensation for economic losses incurred in making the job change. This could include payment of benefits lost when an executive left the previous job; moving expenses; temporary living expenses; and compensation for higher mortgage rate outlays on the executive's new home versus the old.

Companies make demands in contracts, too. The executive may have to agree not to take valuable inside information to a competing firm.

Obviously, employment contracts are often complex legal documents. For that reason, Bachelder and Kenny agree that both parties should be represented by attorneys. In drawing up a contract, a lawyer can help steer clear of complex provisions of tax and securities law that could reduce the value of many of the benefits, Bachelder says.

But, he warns, "Make sure the lawyer is one who seeks solutions rather than one who is adversarial. The worst thing that can happen is that the lawyer blows the deal."

Kenny also cautions about the pitfalls in getting a contract. A contract may be counterproductive in the long run, he says, no matter how carefully its incentive provisions are drawn. "If you have extraordinary confidence in your ability to succeed, the chances are that a contract will be limiting. You may be very successful but your compensation will be frozen."

—ANDRÉ SHASHATY

INVESTMENT UPDATE

Here's the current status of a number of investments, and a look at how they have fared over the past month and the past year.

INVESTMENT	(01/31/85) Recent Price or Yield	Value of $10,000 if invested: Month Earlier	Year Earlier
Common Stock (Index fund, capital gains and dividends reinvested)	$21.00/share	$10,758	$11,485
per cent change		+7.6%	+14.6%
Bonds (30-yr., 11¼% Treasury Bond)			
MARKET VALUE	$103.06	$10,217	$10,252
ACCUMULATED INCOME		$ 97	$ 1,169
TOTAL		$10,314	$11,421
per cent change		+3.1%	+14.2%
Money Market Fund	+8.00	$10,068	$10,996
per cent change		+0.6%	+9.9%
Gold (Krugerrands)	$304.50/oz.	$ 9,880	$ 7,899
per cent change		−1.2%	−2.1%
HOUSE PRICES	**Recent**	**Month Earlier**	**Year Earlier**
Existing House	$87,100	$ 84,300	$82,700
per cent change		+3.2%	+5.1%
New House	$94,800	$102,600	$92,900
per cent change		−8.2%	+2.0%

Sources: Vanguard Group Inc.; Salomon Brothers; Donoghue's Money Fund Report; Deak-Perera Fifth Avenue, Inc.; Federal Home Loan Bank Board.